



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 622***

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S622-ARBf-13 [v.4]

Page 1 of 2

Amends Title [NO]
First Edition

Date _____, 2019

Senator Tillman

1 moves to amend the bill on page 5, line 4, by deleting "G.S. 105-130.4A." and substituting
2 "G.S. 105-130.4B.";

3
4 And on page 5, line 7, by rewriting the line to read:

5 "...

6 (s2) Pipeline Company. – Receipts from the transportation or transmission of a
7 petroleum-based liquids pipeline or natural gas by a company subject to rate regulation by the
8 Federal Energy Regulatory Commission shall be apportioned by multiplying the income by a
9 fraction, the numerator of which is the number of ~~barrel miles~~ traffic units in this State during
10 the tax year and the denominator of which is the total number of ~~barrel miles~~ traffic units
11 everywhere during the tax year. For purposes of this section, the term "~~barrel mile~~" means one
12 barrel of liquid property transported one mile. "traffic unit" means one or more of the following:

13 (1) Barrel mile. – One barrel of liquid property transported one mile.

14 (2) Cubic foot mile. – One cubic foot of gaseous property transported one mile.";

15
16 And on page 5, line 45, by rewriting the line to read:

17 "...

18 (t3) State Net Loss Apportionment Election. – Notwithstanding subsection (l)(4) of this
19 section, a taxpayer with a State net loss balance as of the end of its 2019 taxable year may elect
20 to apportion receipts from services based on the percentage of its income-producing activities
21 performed in this State. The election must be made on the 2020 tax year return and must be in
22 the form prescribed by the Secretary and contain any supporting documentation the Secretary
23 may require. The election is binding and irrevocable until the earlier of the tax year in which (i)
24 the existing State net loss balance is fully utilized; or (ii) all of the existing State net loss balance
25 has expired, as determined by applying the limitations set forth in G.S. 105-130.8A(b). A
26 taxpayer must apportion receipts from services in accordance with subsection (l)(4) of this
27 section for tax years beginning on and after the tax year that the existing State net loss is fully
28 utilized.

29 For purposes of this subsection, a taxpayer's State net loss balance is the total amount of State
30 net losses computed under G.S. 105-130.8A for taxable years beginning before January 1, 2020,
31 and available to carry forward to taxable years beginning on or after January 1, 2020. A State net
32 loss balance does not include a State net loss created in a taxable year beginning on or after



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1 January 1, 2020. A State net loss created in a taxable year beginning on or after January 1, 2020,
2 must be determined using the apportionment rules in G.S. 105-130.4(l).";
3

4 And on page 10, lines 33 and 34, by inserting a new section between those lines to read:

5 **"SECTION 3.4.** G.S. 105-122(c1) reads as rewritten:

6 '(c1) Apportionment. – A corporation that is doing business in this State and in one or more
7 other states must apportion its capital stock, surplus, and undivided profits to this State. A
8 corporation must use the apportionment method set out in subdivision (1) of this subsection
9 unless the Department has authorized it to use a different method under subdivision (2) of this
10 subsection. A taxpayer that has made an election under G.S. 105-130.4(t3) must use the
11 apportionment method set out in subdivision (1) of this subsection as if the election had not been
12 made, unless the Department has authorized a different method under subdivision (2) of this
13 subsection. The portion of a corporation's capital stock, surplus, and undivided profits determined
14 by applying the appropriate apportionment method is considered the amount of capital stock,
15 surplus, and undivided profits the corporation uses in its business in this State.

16 ...";
17

18 And by renumbering the remaining sections accordingly;
19

20 And on page 11, line 1, by deleting the phrase "Sections 3.1 through 3.3" and substituting the
21 phrase "Section 3.1 through 3.4".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____